

MUNSEY CLINCHES GRIP ON U. S. TRUST

Scott's Refusal to Head Company Ends Hope of Rehabilitation.

BOOST WILLIAMS FOR CONTROLLER

Administration Plans First to Show His Worth in Currency Reorganization.

[From The Tribune Bureau.]
Washington, Dec. 24.—Negotiations to wipe the Treasury slate of stain and restore the United States Trust Company to business came to an end last night, and all hope of relieving the Treasury Department of the onus of having effected the absorption and also all hope of the stockholders of the United States Trust Company that their bank might be restored to business have been abandoned.

These negotiations, which have been on for a week, involved an effort to induce ex-Senator Scott, president of the Continental Trust Company, to accept the presidency of the United States Trust Company under conditions designed to make for its permanent endurance and prosperity. Mr. Scott, it will be recalled, raised \$500,000 on his personal securities and agreed to accept the presidency of the United States Trust Company on November 21, the day on which the run on that institution began.

Why this offer thus to rehabilitate the tottering institution was not accepted has never been explained to the satisfaction of the stockholders or to that of others interested in the banking situation in Washington, but the impression prevails that Assistant Secretary John Skelton Williams blocked the efforts of those who would have saved the stockholders of the United States Trust Company from loss, or at least from so great a loss as they must now suffer.

Soon after The Tribune made public the part played by Williams in the absorption of the United States Trust Company by the Munsey Trust Company, and when it became obvious that this exposure would seriously militate against Williams's ambition to become Controller of the Currency and a member of the Federal Reserve Board, an increased compensation of \$7,000 a year, an effort was begun to induce ex-Senator Scott again to raise the needed capital and to resume the presidency of the United States Trust Company.

This effort proving unavailing, the proposition was modified to provide for the writing off of a considerable amount of the capital of the United States Trust Company, but Mr. Scott has persistently declined to accept whatever might be left of the trust company, contending that after it had passed through the hands of the Munsey Trust Company it was no longer a property for which he cared to assume the responsibility. The negotiations continued, however, until last night, when Mr. Scott made it so plain that he would have nothing to do with the tangle into which the affairs of the United States Trust Company had been woven that the last hope of both the Treasury officials and the stockholders was abandoned.

NAVY OFFICER DISCIPLINED

Commander of Spanish Cruiser Carlos Quinto Relieved.

[By Cable to The Tribune.]
Madrid, Dec. 24.—It is officially announced that the commander of the cruiser Carlos Quinto has been relieved of his command because he refused to proceed immediately from Kingston, Jamaica, to Mexican waters. The commanding officer reported that the cruiser had been damaged, but an investigation showed that the damage was very slight and could have been repaired at Vera Cruz. The second officer was instructed by cable to take the warship at once thither.

THREE BOY SANTAS KILLED BY TRAIN

Wagon Smashed and Gifts Are Scattered—Man Crushed by Express.

Camden, N. J., Dec. 24.—Three boys were killed at noon to-day by a train at Hammon. The victims were Milton Dilger, seventeen years old; Emilie Dunkle, thirteen years, and Clifford Olt, nine years. They were driving over the Atlantic Railroad crossing at 11th street in an express wagon, when their vehicle was struck by an Atlantic City express train en route for Philadelphia.

The boys were hurled in different directions and all were dead when picked up. The wagon, which was piled high with Christmas gifts, was demolished. The gifts were strewn about the tracks for many yards.

MAYOR-ELECT MITCHEL TAKING THE OATH OF OFFICE.



MINISTER FAILED IN PRECISENESS

U. S. Envoy Used Unfortunate Words in Note to Santo Domingo Government.

[From The Tribune Bureau.]
Washington, Dec. 24.—Certain secrets concerning events which led this government recently to send to Santo Domingo a number of "observers" to watch the elections there are revealed in correspondence published in Santo Domingo between James M. Sullivan, the American Minister, and the Dominican Minister for Foreign Affairs. This correspondence shows that Mr. Sullivan entered into some sort of pledge on behalf of the United States to the Dominican people that the elections, which were held on December 12 and 13, would be free and honest. It was the fulfillment of this pledge that led the Secretary of State to send the observers to Santo Domingo. It also appears that the Dominican government was also a party to the agreement, guaranteeing free and honest elections, and thus the United States, in sending her observers, was doing nothing more than carrying out an agreement which the Dominican government approved.

President Bordas of Santo Domingo, however, professed to consider the sending of the observers as infringing upon the sovereignty of the Dominican Republic and protested to Minister Sullivan. About the same time Señor Peynado, the Dominican Minister to the United States, entered a protest at the State Department.

Result of Misrepresentation.
When the first Dominican protest was submitted at the State Department Secretary Bryan declared that the protest was the result of misrepresentation on the part of the American press of the department's intentions. The first news of the government's Dominican plans was published in this country in The Tribune on December 3. Mr. Sullivan's note to the Dominican government, apprising it of the intentions of the United States, was presented to the Dominican Foreign Office on December 3, and it was on that night that the protest appeared in American newspapers—that the protest was based.

It appears that Mr. Sullivan was not sufficiently precise in the wording of his original note. He said that a "commission" was being sent to Santo Domingo, and he used the word "supervise." He was later obliged to explain the amiable intentions of the American government and virtually to withdraw his first note. His communication was, in part, as follows:

"I have the honor to inform your excellency, as a continuation of our conversation of recent date, that the American government believes that the Dominican government will maintain to the end in letter and spirit, the guarantee which the Dominican government authorized the American government to make in the last unfortunate situation which existed in this country.

"Supervisors" and "Observers."
"The promises made by me to the revolutionists, and to which the Dominican government gave its assent, are sacred to us, not only because our honor is involved, but also because the fulfillment of them, I believe, will bring about a new era of peace and prosperity to this country. It is gratifying to me, therefore, for this reason, to inform your excellency of the fact that the American government will name a commission of not more than five members, which will come to this country, duly accredited, with the object of supervising reports made to the commission by American agents located in the cities and places where voting places are established."

After reviewing the contents of Mr. Sullivan's note Eliso Grullon, the Dominican Minister for Foreign Affairs, said in reply:

"I have received instructions from the President of Santo Domingo to answer your excellency that President Bordas could not, without violating the fundamental covenant which governs us, admit officially the interference of a foreign element into our body politic in matters of internal concern, pertaining to the exer-

LARKIN TO VISIT U. S.

Labor Agitator Will Bring His "Fiery Cross" Hither.

Dublin, Dec. 24.—James Larkin, the leader of the Irish Transport Workers, who have been on strike here since September, is going to the United States early in the new year to carry on his "fiery cross" mission among the laboring men and at the same time to collect funds for the strikers in a speech delivered to-day at Kilmaham, a suburb of Dublin.

RAPS POLITICS IN 3 "R'S"

North Side Board of Trade Would Eradicate Germ.

The North Side Board of Trade met last night in its rooms in the Carr Building, Third avenue and 124th street. Herbert A. Knox, chairman of the educational committee, said in his report:

"There seems to be a tendency in the Board of Education to allow undue prominence to personalities and to personal policies, and while in our opinion these can be no proper charge made that the Board of Education is at all infected with the germ of partisan politics, yet there are many evidences that there is a species of internal educational politics within the educational system."

"The recently completed reports of the Hanes investigators of the school system of this city indicate that there should be an immediate and radical revision of the educational charter of the New York city."

The street improvement committee said great progress had been made in laying out streets in The Bronx, but that there was room for even more advances.

MOTHER AND GIRL BRIDES

Shipmates Win Daughter and Parent—Wed at Same Time.

Mrs. Helen Carner, a widow, thirty-five years old, and her daughter, Ruth, eighteen years old, were married last night at their home, No. 175 Norman avenue, Evergreen.

Mrs. Carner was wedded to Hugh J. Ward, thirty-six years old, of Oswego, N. Y., and her daughter became the bride of Charles Hahn, twenty-two years old, of Tonawanda, N. Y. The bridegrooms were shipmates on the United States transport Dixie. They quit the service two months ago.

The two couples after January 1 will take a trip South, and on their return will live in the Norman avenue house, which is owned by Mrs. Ward.

BETRAYED BY PACKAGE

Counterfeiters and Outfit Seized in Chicago.

Chicago, Dec. 24.—Government detectives arrested two ex-convicts to-day with a complete outfit for printing counterfeit \$5 and \$10 bills. The men are Edward Westcott and Otto Allen, alias "Charles Morrill." Allen had just returned from a test trip with counterfeit bills, in the course of which he had passed them in Grand Rapids, Mich., Cincinnati, St. Louis and Racine, Wis.

The printing outfit was set up in a flat otherwise unfurnished. The operatives learned the address from a parcel post package sent by Frank Lascera, arrested in New York for passing counterfeit \$10 notes.

More than four thousand counterfeit bills were printed and stacked up beside the counterfeiters' press.

COUNTESS EULALIA DENIES

Calls Story of Fomenting Portuguese Revolution False.

[By Telegram to The Tribune.]
Philadelphia, Dec. 24.—Countess Santa Eulalia, formerly Mrs. John B. Stetson; her husband, the count, and her son, G. Henry Stetson, were so indignant at a story told by M. Blair Coan, an investigator and a former newspaperman, that he had been employed to sound government folk at Washington in regard to their attitude toward a probable revolution to set the count and countess upon the throne of Portugal that they not only issued formal statements in denial of the story, but caused a warrant to be issued by Magistrate Harris charging Coan with criminal libel.

MITCHEL UNMOVED ON APPOINTMENTS

Determined to Name Mullan and Bruere, Despite Pressure.

NO BREAK WITH KOENIG, BOTH SAY

Williams Considered for Water Commissioner—Hard to Find Waldo Substitute.

Strong pressure is being brought to bear to induce John Purroy Mitchell to change his determination to appoint Henry Bruere City Chamberlain and George V. Mullan Corporation Counsel. Last night, however, it was understood Mr. Mitchell was sticking to his original determination.

Mr. Mitchell and Samuel S. Koenig, president of the Republican County Committee, denied yesterday that there had been a break between them. Neither denied, however, that there had been a "difference" over the appointments. Mr. Koenig said he understood no final decision had been reached upon either appointment. He is still urging the claims of the Republican organization to the office of Corporation Counsel. It was said yesterday that, although Mr. Mitchell might change his mind about appointing Mr. Mullan, his selection would still be personal, and that the Republican organization had no chance of landing the place of Corporation Counsel.

However, it is not Mr. Koenig's fault that no decision has been reached on the places that are to go to the Republicans. He had breakfast with Mr. Mitchell yesterday morning and they discussed the situation for a long time. No definite conclusion was reached, however, and another conference will be held on Monday.

Following the conference yesterday Mr. Koenig talked with a number of his executive committeemen to ask their advice as to just how far the organization should go in pressing its applications for appointment.

Mr. Mitchell said his meeting with Mr. Koenig was most amicable. He refused to go into details.

William Williams, former Immigration Commissioner, has been considered for appointment as Commissioner of Water Supply.

Mr. Mitchell said his name had been considered with many others because they had already served acceptably in public office.

Commissioner Waldo will not serve after January 1 day longer than it takes Mr. Mitchell to find the right man to succeed him. Mr. Mitchell is more anxious to get a man for this place than for any other, but so far he has been baffled in his search. He will not go so far in his anxiety to get rid of Mr. Waldo as to appoint a man he is not sure is fully competent to hold the job.

Mr. Mitchell took the oath as Mayor shortly after 1 o'clock yesterday afternoon. It was administered by Justice Ford in his chambers in the Emigrant Savings Bank Building.

When they were told that they had to be sworn in ten days before taking office Mr. Mitchell, Controller Frederick and Borough President McAneny went hurriedly to Justice Goff on Sunday, but later they learned this was a mistake, and that their oath before Justice Goff was void because at that time they had not received their certificates of election.

CHINA AT PANAMA FAIR

Special Commissioner Arrives in San Francisco.

San Francisco, Dec. 24.—Chu Tung-chai, special commissioner to the Panama-Pacific Exposition, has arrived here to complete plans for China's exhibit.

"China is taking a keen interest in the exhibition," Mr. Chu said to-day, "and it is likely that the government will appropriate of \$100,000 for a building and exhibits will be materially increased by private subscriptions. Our exhibits will show China's agricultural and industrial products and mineral resources, and there will be other interesting displays."

WOMAN STOPS DIVORCE

Decree Set Aside on Co-respondent's Plea to Judge.

Mrs. Lillian Caro, of No. 32 West 12th street, whose first husband was the late Justice George Edgar Wilkins, of California, made an unusual motion before Justice Giegerich, which caused the latter to set aside a decree of divorce which Mrs. Catherine Curtis obtained against William Walter Curtis. In that action Mrs. Caro was named as co-respondent. Curtis failed to put in a defense to the suit of his wife.

Mrs. Caro asked that the decree be set aside so that she could come into court and make denial of the charges that associated her name with Curtis. She said that the testimony about her was untrue, and she was unaware that she had been named until she saw in the newspapers the accounts of the Curtis divorce.

Mrs. Caro was the wife of Israel Caro. She said that Curtis, representing himself as a single man, paid court to her, promising to marry her when she should get a divorce. She asserted that some persons were trying to deprive her of her money, and "have succeeded to a great extent."

Counsel for Mrs. Curtis told the court that Mrs. Caro's husband obtained a divorce from her last June on testimony that she went to Europe with Curtis.

Special Income Tax Suspended.

Washington, Dec. 24.—Secretary McAdoo to-day suspended until January 15, 1914, and until further instructions are issued, collection of the normal income tax of 1 per cent at the source, on incomes from interest on the obligations of special taxation districts, such as are frequently created in the West for irrigation or other local improvements. Attorney General McKeeney probably will be asked to give an opinion on the taxation of such incomes.

Dismal Day for P. Charlton.

Como, Italy, Dec. 24.—The Christmas season brought little of cheer to Porter Charlton, the young American who is awaiting trial on a charge of wife murder. He complained to-day especially of his cold cell, which was rendered more dismal by the prevailing fog. Possibly Christmas Day will prove more cheerful, as Charlton will be allowed extra dishes from the restaurant where he purchases his meals, and a longer walk in the narrow courtyard where he exercises.

TENNIS COSTS WOMAN DEAR

\$1,000 Pin Lost on Courts of Seventh Regiment.

A notice was posted at the indoor lawn tennis courts of the 7th Regiment Armory yesterday notifying the women players that one of their number had lost a diamond earring pin. It developed later that Mrs. J. F. Pearson had found missing the piece of jewelry, which was said to be valued at \$1,000. Mrs. Pearson notified Sergeant James Ayres, one of the armory's, that she would be willing to reward handsomely the finder of the pin.

According to Robert F. Putnam, the president, more than one hundred women players are now using the courts. Mrs. Pearson did not leave her jewelry in the dressing room provided for the women, but wore it when she went on the courts. She is under the impression that in her activity the pin became loosened and dropped to the floor.

It is the custom to scatter wet sawdust over the courts each evening and then sweep the eight courts, and it is believed the pin was swept up and thrown away with the debris.

WARBURG SEES NEW BANKING ERA HERE

Currency Law Contains Features Fought For by Financiers for Years.

Paul M. Warburg, of the firm of Kuhn, Loeb & Co., who has been mentioned as one of the probable members of the Federal Reserve Board required under the new currency law, said yesterday that the law "would mean a new era in the history of banking in the United States."

Warburg's views on currency problems are looked upon as authoritative by bankers, and his opinion that the Owen-Glass measure is sound and workable is considered highly important at this time.

"There cannot be any doubt," he said, "that the enactment of this legislation will inaugurate a new era in the history of banking in the United States."

While it is to be regretted that some important suggestions made by the business community could not be adopted, the fundamental thoughts, for the victory of which some of us have worked for so many years, have won.

"That is to say, from now on we shall witness the gradual elimination of the hand-secured currency, of scattered reserves, of immobilized commercial paper and of pyramiding of call loans on the Stock Exchange. The ship is headed right, and nothing will ever turn her back into her old course. This is a success of vast importance that no matter whether or not the law be perfect in many details, we have all reason to be profoundly grateful for having progressed so far."

"As long as this legislation was a question for discussion, it was incumbent on all of us to try to be helpful by offering the freest criticism. Now that the discussion is closed and the law has gone into effect, there remains only one thing for us to do, and that is for each of us cheerfully to co-operate in giving it the fairest and fullest test."

"If, after a few years of actual experience, it should be shown that the business community was wrong in its suggestions and apprehensions, we all shall be satisfied. If, on the other hand, it should be shown that errors were made, I believe that the country at large and

its representatives at Washington will then be perfectly willing to make the necessary amendments to the law. By that time a great many things which to-day are questions of theory will have become hard facts and everybody will be able to judge from actual experience.

"It is only natural that in a matter on which so many minds had to agree concessions and compromises were necessary. By forcing the member banks to continue to keep a portion of their reserves in their own vaults, by providing for a minimum of eight federal reserve banks, instead of four, the law arrests the fullest possible concentration of reserves, and thereby restricts to a material degree the power and elasticity of the future system. If this was done as an expression of conservatism, in order to bring about a gradual development only of the system, Congress may have acted wisely, but it is sincerely to be hoped that the future Federal Reserve Board will frame its policy accordingly."

The instrument now created must not be overtaxed. Within its limitations it will be safe, if conservatively managed, but it can only very gradually lead toward perfect fluidity of credit by the creation of important discount markets. In order to reach the ultimate aim of this law, it is earnestly to be hoped that the future board will not overheat the boilers up to the danger point by trying to make this delicate craft produce results, which, as now designed, may be beyond her power and beyond the limits of safety, but rather, after a fair and conservative test, and as time and experience will teach us, perfect the construction."

Of the New York national banks which have already applied for membership in the new currency system there are the Hanover National, the National Reserve Bank and the Gotham National. Whether the consent of shareholders is needed for a national bank to join the new system will be considered at a special meeting of the Clearing House soon.

TAKES HENNESSY'S ADVICE

State Officers Stop Work on Albany Capitol.

[By Telegram to The Tribune.]
Albany, Dec. 24.—On the recommendation of a sub-committee of state officers, composed of Attorney General Carmody, State Architect Pilcher and John H. Delaney, Commissioner of Efficiency and Economy, the work of reconstructing the burned portion of the Capitol on the fourth, fifth and sixth floors was suspended to-day and a large number of men laid off, pending a further investigation by James W. Osborne.

The rebuilding has been under investigation for some time in an effort to determine whether it was being done as economically as possible. The contractors were working on a percentage basis. John A. Hennessy, inquired into the contract for Governor Sulzer and recommended that the work be finished under percentage. Hennessy's assertion was that too many men were being employed. The rebuilding has been in progress three years.

Improvement of the committee rooms and other quarters on the third floor, which will be used by legislators, will continue. This is being done on a lump sum contract.

Self-Defence Plea Saves Koch.

Rutland, Vt., Dec. 24.—William E. Koch, of West Haven, was acquitted to-day of the charge of murdering Charles Gordon, a Whitehall trapper, on November 9. The jury was out twenty hours. The ten quarrelled over traps Gordon had set on a 2,000-acre game reserve claimed by Koch. Self-defence was Koch's plea.

M'ADOO BEGINS TO PICK CITIES TO-DAY

Christmas Will Be Spent Selecting Places for Reserve Banks.

NO REST UNTIL NEW SYSTEM IS WORKING

Applications for Places on Federal Board Receive Scant Attention.

Washington, Dec. 24.—Secretary McAdoo said to-day that he expected to begin the formal work to-morrow of selecting the cities for federal reserve banks under the new currency law.

"We expect to consider the problem in the light of what will most benefit the entire country, and local interests will not be regarded," said he. "We will probably outline the districts first and then choose the cities in each district where the federal reserve bank will be located."

Mr. McAdoo did not know, he said, whether there would be eight or twelve districts. That point he regarded as one of the most perplexing before the organization committee. He expressed great satisfaction with the way in which the banks have responded to the law.

"The law has been accepted," he said. "In a thoroughly patriotic manner, I have never had any doubt, and have none now, that most of the national banks of the country will enter the new system. I believe it will prove an unexpected success and the greatest thing that has happened to the country in many years."

Many applications have come from individuals for places on the Federal Reserve Board, but Mr. McAdoo said he had not looked them over, and indicated that they were likely to receive scant consideration.

"We do not propose to let any grass grow under the feet of the organization committee," said Secretary McAdoo. "We are going at these problems carefully but quickly."

The Secretary received a letter to-day from George M. Reynolds, a Chicago banker, who had opposed some features of the new law. He expressed a desire to conform to its provisions and to help the administration in every way to make the new system a success. A telegram from Jacob H. Schiff, a New York banker, among many others, contained congratulations.

Secretary McAdoo and Secretary Houston, acting as the organization committee, will determine the important preliminary moves to the actual installation of the machinery that is to operate the federal reserve system.

Although the law provides that the two secretaries shall join with the Controller of the Currency in the preliminary work of reorganization, the office of Controller is vacant, and it has been decided that the two secretaries, constituting a majority of the committee, may go ahead. Later the members of the Federal Reserve Board of seven will be named by President Wilson.

The Secretary of the Treasury and the new Controller will be members of that body, and the other five will be chosen from private life. If President Wilson finally has made his selection for those five places it is not known in Washington.

Santa Claus Travels by Telephone

HAVE you heard the Christmas bells? They are telephone bells. And it's Santa Claus delivering the bright, cheery messages of Christmas time.

All through the holiday season friends widely separated and perhaps almost forgotten will hear "Merry Christmas" ringing out over the telephone.

Laughter, kindness and good cheer will go speeding here, there and everywhere, for Santa Claus travels rapidly by telephone. He uses the almost limitless roadway over which the Christmas spirit can travel.

Possibly you know someone to whom the greeting "Merry Christmas" would mean much. Possibly you would like to share your happiness with those who may have less. Then why not pay them a visit by telephone? Make it a happier, brighter Christmas for yourself and others—

Just Telephone "Merry Christmas!"

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